

NAVY PETROLEUM OFFICE INSTRUCTION 4290.1A

Subj: COMMERCIAL CONTRACTS FOR BUNKER FUEL

Ref: (a) NAVPETOFFINST 4025.1 (Series)  
(b) Naval Sea Systems Command Technical Manual, Chapter 541, Section 10  
(c) NAVSUP Publication 485, Supply Procedures Afloat  
(d) CINCLANTFLTINST/CINCPACFLTINST 4026.1, Fuel Management Afloat Manual, Chapter 3  
(e) COMSCINST 3121.9, Chapter 8

Encl: (1) CONUS Commercial Bunker Fuel Contract Listing  
(2) Overseas Commercial Bunker Fuel Contract Listing  
(3) Bunker Fuel Contract Procedures for USN Ships  
(4) Sample DD Form 1155, Order for Supplies or Services

1. Purpose. To provide information regarding CONUS and OVERSEAS commercial contracts for bunker fuel supporting Navy and Military Sealift Command (MSC) ships. **THIS INSTRUCTION SHOULD BE PASSED TO ORDERING OFFICERS, SUPPLY OFFICES AND/OR SUPPLY OFFICERS.**

2. Cancellation. NAVPETOFFINST 4290.1 dated 29 Sep 95.

3. Discussion. Fuel consumption comprises a significant portion of the Department of Defense's annual operating budget. Therefore, it is imperative activities effectively manage their fuel use and dollars. To this end, the following sources for ship fuels exist in CONUS and overseas locations. Activities/ships are to utilize them in the order presented.

a. **U.S. Government owned fuel stocks**. These are bulk fuel stocks located at Defense Fuel Support Points (DFSPs) in CONUS and overseas. The fuels are military specification products (F76, JP5 and JP8). This source of fuel will be used before any other source. Reference (a) lists the worldwide locations of U.S. Government owned stocks of bulk fuel.

b. **Fuel Exchange Agreements (FEAs)**. These are agreements established with foreign countries to provide fuel to naval vessels and military aircraft on a reciprocal basis. FEAs will be used as a second level of supply when U.S. Government owned fuel is not available. Reference (a) provides a listing of Fuel

Exchange Agreements along with detailed procedures for FEA transactions and reporting requirements.

c. **Defense Energy Support Center (DESC) bunker fuel contracts.** Bunker fuels are defined as those commercial fuel products consumed for ship's propulsion. These worldwide contracts provide a third level of supply where U.S. Government owned stocks and FEAs are not available. The contracts are established through the DESC (formerly Defense Fuel Supply Center (DFSC)) bunker fuel program to support Navy, MSC, Coast Guard, and other federal agencies. They are awarded to contractors for a 2-year period. The Navy pays a standard price for this fuel, thus eliminating market price fluctuations and lowering overall fuel costs. The type of fuel received from these contracts is Marine Gas Oil (MGO); F76; Intermediate Fuel Oils (IFO) 180 and 380; and Diesel Fuel #2 (DF2). (U.S. Navy guidance on substitute fuel suitability and waiver requirements is provided in reference (b).) Enclosures (1) and (2) list the CONUS and overseas bunker fuel contracts, respectively. Both enclosures are updated annually and when significant changes occur.

d. **Local Purchases.** Local purchases of bunker fuel by U.S. Government contracting officers and/or supply officers is authorized when the following conditions are met:

(1) U.S. Government stocks, Fuel Exchange Agreements and DESC bunker contract sources are not available.

(2) Operational considerations prevent delay of fueling operations until U.S. Government owned or DESC contracted sources for fuel are available.

4. **Action.** The following responsibilities are assigned for establishing and using DESC commercial bunker fuel contracts:

a. **NAVPETOFF.** The Navy Petroleum Office will coordinate USN and MSC requirements for bunker fuel contract support. Contracts will be established based on input from field activities that support USN and MSC ships. Recurring requirements for bunker fuel support should be identified to the Navy Petroleum Office (copy to the appropriate Navy or MSC chain of command) to initiate long-term DESC bunker fuel contract support.

b. USN Ships. Ship's personnel will familiarize themselves with enclosures (1) and (2) and use DESC contracts to fulfill fuel requirements in ports where no DFSPs and FEAs are available. USN ships will use enclosures (3) and (4) for ordering DESC contracted bunker fuel. These enclosures provide detailed ordering and invoice processing procedures. Additional ordering and invoice processing instructions are contained in references (c) and (d).

c. MSC Ships. MSC ships should consult reference (e) for ordering DESC contracted bunker fuel and payment procedures vice enclosure (3). Officers placing orders against DESC contracts are not authorized to negotiate changes in minimum delivery quantities, delivery methods, or other restrictions listed.

5. Additional Information. Information or questions regarding the bunker fuel contract program is available from the Navy Petroleum Office (Code FMD), 8725 John J. Kingman Road, Suite 3719, Fort Belvoir, VA 22060-6224. For activities having access to the internet, bunker fuel information is available through the NAVPEOFF and DESC homepages. The addresses are <http://www.navpetoff.navy.mil> or <http://www.desc.dla.mil>. Recommendations for changes to this instruction may also be submitted to the above address. Telephone numbers are DSN 427-7349 or commercial (703) 767-7349. Our SALTS address is NAVY PETRO OFFICE FT BELVOIR NPO. Our message address is NAVPEOFF FT BELVOIR VA//NPO//. E-mail may also be utilized using the address of [kelli\\_thorpe@navsup.navy.mil](mailto:kelli_thorpe@navsup.navy.mil).

S. D. FUNK

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